



SAGAR CEMENTS LIMITED

Fax Nos. 022 26598237 / 38, 26598347 / 48

Ref:SCL:SEC:NSE: 2014-15

15th July, 2014

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

Symbol: SAGCEM

Series: EQ

Dear Sir,

Sub: Proceedings of the Board Meeting – Disinvestment

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Further to our letter dated 4th July, 2014, we wish to inform you that our Board at its meeting held on today approved the sale of the entire 6,52,36,399 equity shares of Rs.10/- each held by the company in its Joint Venture namely Vicat Sagar Cement Private Limited for a total consideration of Rs.435 crores (approximately Rs.66.68 per equity share) to M/s.Parficim S.A.S., France, an affiliate of Vicat S.A., France. This approval is subject to further approval of our shareholders and other approvals, if any, required from the regulatory authorities concerned.

In this connection, we are forwarding herewith a copy of the Press Release being issued.

Thanking you

Yours faithfully
For Sagar Cements Limited

R.Soundararajan
Company Secretary

End.



SAGAR CEMENTS LIMITED

Regd. Office: Plot No.111 Road No.10 Jubilee Hills, Hyderabad - 500 033, India

For immediate release

Hyderabad, 15 July, 2014

Sagar Cements to sell its stake in Vicat Sagar Cement

The Board of Directors of Sagar Cements, one of the most efficient cement manufacturers in the country, today approved the sale of its entire stake of 6, 52, 36,399 equity shares held in its Joint Venture, Vicat Sagar Cement Private Limited for a total consideration of Rs. 435 crore (Rs. 66.68 per equity share) to M/s.Parficom S.A.S., France, an affiliate of Vicat S.A., France. This approval is subject to further approval of shareholders of SCL and other approvals, if any, from the regulatory authorities concerned.

This transaction is the result of a strategic decision taken by both entities to enable each one focus on its own strengths and capabilities to create value and drive growth.

Sagar Cements and The Vicat Group had entered into this joint venture in June 2008, with the objective of setting up a 5.5 million tonne plant in Gulbarga, Karnataka. The first phase of this facility, capable of producing 2.75 million tonnes was completed in December 2012 with the commencement of production in January 2013. Sagar's Contribution for first phase was Rs.86 crore for its 47% stake in the Joint Venture

Commenting on the decision, Mr Sreekanth Reddy, Executive Director, Sagar Cements, said *"This transaction will enable both Vicat and Sagar to better focus on their own strengths and strategies. We wish Vicat the best in all its endeavours. On our part, we will continue to leverage on our strengths and explore opportunities to expand our scale and presence and create value for our stakeholders."*

Sagar Cements proposes to utilize the proceeds from this stake sale partly towards purchase of some capital equipment for its Matampally plant, while the remaining sum will be deployed to fund organic and inorganic growth with the objective of playing a larger role in the cement industry in South India.

About Sagar Cement Limited

Sagar Cements Limited (SCL) is one of the most efficient cement producers in India with an experience spanning over 30 years. The Company commenced its operations in 1985 with a clinker producing capacity of 0.06 MTPA. The Company's current clinker capacity is 2.3 million TPA and its cement capacity is 2.75 million TPA. It manufactures various varieties of cement all of which are sold under the brand name of Sagar. The Company's registered office is in Hyderabad and its plant is located in the Nalgonda district of Telangana. Limestone requirement of the plant is met from its captive mine located adjacent to its plant.

For further information contact:

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Safe harbour:

Certain matters discussed in this communication may contain statements regarding the company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the cement industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the company's market preferences and its exposure to market risks, as well as other risks. The company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The company assumes no obligation to update any forward-looking information contained in this communication. Any forward-looking statements and projections made by third parties included in this communication are not adopted by the company and the company is not responsible for such third party statements and projections.